**Student Check - Auto Loan**

**#1 - Your Financial Scenario**

**Gross Income:** $44,000/year

**Net** **Income after Tax/Deductions:** 72%

**Current** **Savings Account Balance** - $5,000

**Other Major Monthly Expenses**

Rent - $500

Groceries - $200

Student Loans - $250

Car Insurance Quote - $58/month

Gas = $135/month

**Your Life Scenario**

You currently live in Johnston, IA and work in downtown Des Moines at Nationwide Insurance. Your commute is about 18 miles each way. You like to travel to see friends/family in Minneapolis, Iowa City, and Kansas City.

You are in need of replacing a 2002 Ford Taurus with 190,000 miles on it and are going to get a Chevy Cruze. Below are the two financing offers you are considering for the vehicle purchase.

|  | | |
| --- | --- | --- |
| Purchase Elements | | |
| Original Sales Price | 19,500 | 19,500 |
| Discounts/Promotional Offers | 0% Financing for 72 Months | $1000 Cash Back |
| 5% Sales Tax |  |  |
| Title, Registration, fees | 750 | 750 |
| Total Sales Price |  |  |
| Down Payment (Explain Reasoning Below) |  |  |
| Actual Loan Amount (Principal) |  |  |
| Loan Terms (Finance Company) |  |  |
| APR - Link or Screen Shot | 0% | 2.9% |
| Term (Length of Loan) | 72 | 60 |
|  | Costs | |
| Monthly Payment |  |  |
| Maturity Date |  |  |
| Total Interest @ Maturity Date |  |  |
| Maturity Value of the Loan |  |  |

**#2 - Your Financial Scenario**

**Gross Income:** $32,000/year

**Net** **Income after Tax/Deductions:** 72%

**Current** **Savings Account Balance** - $3,000

**Other Major Monthly Expenses**

Rent - $400

Groceries - $200

Student Loans - $200

Car Insurance Quote - $43/month

Gas = $105/month

**Your Life Scenario**

You currently live in the old part of West Des Moines, IA and work in Johnston. Your commute is about 10 miles each way. You just found out that your long time car was in need of too many repairs to justify fixing it and you need to replace your vehicle. You have looked around and found a used Nissan Altima with 25,000 miles and what you think is a great price.

| Purchase Elements | | |
| --- | --- | --- |
| Original Sales Price | $10,499 | |
| Discounts/Promotional Offers | $500 off, dealer offer | |
| 5% Sales Tax |  | |
| Title, Registration, fees (1%) | 450 | |
| Total Sales Price |  | |
| Down Payment (Explain Reasoning Below) |  |  |
| Actual Loan Amount (Principal) |  |  |
| Loan Terms (Finance Company) | Veridian | Bank of the West |
| APR - Link or Screen Shot | 2.59% | 2.29% |
| Term (Length of Loan) | 48 months | 60 months |
|  | Costs | |
| Monthly Payment |  |  |
| Maturity Date |  |  |
| Total Interest @ Maturity Date |  |  |
| Maturity Value of the Loan |  |  |

**Car Buying Scenario #1**

1.) After solving for the two different offers, explain which one is the best offer for the Chevy Cruze based on your current financial scenario. You must reference some or all of the following to best support your decision: (**This should be a well written paragraph)**

* Monthly Payment
* Maturity Value
* Down Payments
* Current Expenses
* Gross and Net Income

**Car Buying Scenario #2**

1.) After solving for the two different offers, explain which one is the best offer for the Nissan Altima based on your current financial scenario. You must reference some or all of the following to best support your decision: (**This should be a well written paragraph)**

* Monthly Payment
* Maturity Value
* Down Payments
* Current Expenses
* Gross and Net Income